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No. 00-543

IN THE

Supreme Court of the United States

AMERICAN IMAGING SERVICES, INC.,
Petitioner,

v.

INTERGRAPH CORPORATION,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF IN OPPOSITION

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QUESTION PRESENTED

Whether this Court should grant certiorari to review the Federal Circuit's decision—based on "an extensive summary judgment record," Pet. App. 34a—that certain claims of U.S. Patent No. 5,353,393 are invalid because they were anticipated by the prior art, a decision which does not conflict with any decision of this Court or any federal court of appeals.

RULE 29.6 STATEMENT

Respondent Intergraph Corporation has no parent corporations and no publicly held corporation owns 10% or more of its stock.

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BRIEF IN OPPOSITION

Respondent Intergraph Corporation ("Intergraph") respectfully requests that this Court deny the petition for certiorari filed in this case.

STATEMENT OF THE CASE

Petitioner is the holder of U.S. Patent No. 5,353,393 (the " '393 patent"), entitled "Apparatus and Method for Manipulating Scanned Documents in a Computer Aided Design System ("CAD system"). The '393 patent addresses the need for converting a paper document into computer-readable form, permitting changes to that document using computer tools, and producing an edited version of that document in both hard copy and electronic form.

In this action, petitioner alleges that three software programs produced by Intergraph infringe all 42 claims of the '393 patent. Intergraph moved for summary judgment on the ground that the '393 patent is invalid because it was anticipated by, and obvious in light of, the prior art, including "SuperPaint," a computer graphics editing program. The District Court subsequently held a *Markman* hearing for the purpose of construing the patent's claims, and the parties "submitted an extensive summary judgment record." Pet. App. 34a.

In opposing summary judgment, petitioner argued that SuperPaint did not anticipate the '393 patent because the patent is limited to CAD systems, and SuperPaint is not a "CAD system" as that term is used in the '393 patent. Pet. App. 33a. According to petitioner, the patent defines "CAD system" as a system capable of producing engineering drawings, and because SuperPaint cannot produce engineering drawings, it did not anticipate the '393 patent. *Id.* Petitioner never attempted to demonstrate that SuperPaint did not anticipate the '393 patent because it lacked other functions and attributes of the '393 patent.

The District Court rejected petitioner's proposed construction of "CAD system," and held that the patent broadly defines that term as a system "commonly used to create and edit drawings and other graphic displays on a computer screen or other cathode ray tube (CRT) display." Pet. App. 53a-54a. The court then concluded that SuperPaint anticipated each of the patent's claims—save dependent claims 12, 35, 36, and 42—because it has the ability to create and edit drawings and other graphic displays on a computer screen. Pet. App. 64a. The remaining claims, the court concluded, were obvious in light of SuperPaint. Pet. App. 3a. Accordingly, the court granted summary judgment in favor of Intergraph. Pet. App. 75a.

Petitioner subsequently moved to alter or amend the judgment. In its motion, petitioner reiterated its argument that SuperPaint did not anticipate the '393 patent because SuperPaint cannot produce engineering drawings, but did not argue or even suggest that SuperPaint lacked other functions and attributes of the '393 patent. Pet. App. 21a & n.1. The District Court denied that motion. Pet. App. 21a.

Petitioner appealed. Petitioner argued that the District Court erred in construing "CAD system" as a system "commonly used to create and edit drawings and other graphic displays on a computer screen or other cathode ray tube (CRT) display," and urged the Court of Appeals to construe the term more narrowly as a system "capable of producing engineering drawings and the like." Appellant's Br. 18. Petitioner also argued that the District Court erred in holding that SuperPaint anticipated the '393 patent because SuperPaint cannot be used to produce engineering documents. *Id.* at 31-32. Again, petitioner never contended or suggested that SuperPaint did not anticipate the '393 patent because it lacked other functions and attributes of the '393 patent.

In a unanimous decision, the Federal Circuit affirmed in part, reversed in part, and vacated in part. Pet. App. 2a. Recognizing that "[t]he first step in any invalidity analysis is claim construction," Pet. App. 4a, the court took up the first issue raised by petitioner by setting out the appropriate standard of review: "Claim construction is an issue of law, which this court reviews *de novo* without deference to the trial court." Pet. App. 5a (citing *Markman* v. *Westview Instruments, Inc.*, 52 F.3d 967, 979 (Fed. Cir. 1995), *aff'd*, 517 U.S. 370 (1996)). Applying settled law, the court then proceeded to conduct its own review of the intrinsic evidence—the claims, specification, and prosecution history. Pet. App. 5a-7a. Based on its review of that evidence, the court agreed with petitioner that the District Court had erred and that "CAD system" was properly construed as a

graphics system "well-suited for producing engineering drawings." Pet. App. 7a.

Turning to the second issue raised by petitioner—whether the District Court erred in holding that SuperPaint anticipated nearly all claims of the '393 patent, *see* Appellant's Br. 27-32—the court noted that claims 1-7 and 14-29 "are not limited to use in a CAD environment," *i.e.*, a system capable of producing engineering documents, but instead are "broad enough to encompass a general graphics program such as SuperPaint." Pet. App. 9-10a. Because petitioner's "*only* contention opposing anticipation of these claims [was] that SuperPaint is not a CAD system, and therefore, cannot produce detailed engineering drawings," the court held that the District Court had not erred in determining that SuperPaint anticipated claims 1-7 and 14-29. Pet. App. 9a (emphasis added).

As for the remaining claims, the court concluded that claims 8-11, 13, 30-34, and 37-41 were not anticipated by, but were obvious in light of, SuperPaint, and that genuine issues of fact remained as to whether claims 12, 35, 36, and 42 were obvious in light of SuperPaint. Pet. App. 11a, 13a-15a. Accordingly, the court vacated the District Court's judgment insofar as it related to the latter claims and remanded for further proceedings. Pet. App. 17a.

Petitioner filed a petition for rehearing. There, for the first time, petitioner suggested that SuperPaint lacks other functions and attributes of the '393 patent, and urged the court to remand for further proceedings. Pet. Reh'g 1-2. Despite ample opportunity to do so, petitioner—by its own admission—had not "fully develop[ed] a record concerning the functionality and attributes of SuperPaint." *Id.* at 6. The panel unanimously denied rehearing.

REASONS FOR DENYING THE WRIT

Petitioner has now filed a petition for certiorari seeking nothing more than the proverbial "second bite." The petition does not meet any of the established criteria warranting certiorari. *See* S. Ct. Rule 10. The decision below does not conflict with any decision of this Court or any other federal court of appeals, and raises no issues of broad importance. Quite the opposite. Believing that the Court of Appeals reached the wrong result, petitioner "requests that this Court grant writ of certiorari to reverse the Court of Appeals' ruling that claims 1-7 and 14-29 were anticipated as a matter of law," Pet. 9, so that it may attempt to demonstrate that SuperPaint "lack[s] other functions and attributes of the ['393] patent." Pet. 13. "Most certainly, this Court does not sit primarily to correct what [it] perceive[s] to be mistakes committed by other tribunals." *Watt* v. *Alaska*, 451 U.S. 259, 275 (1981) (Stevens, J., concurring). Petitioner had every opportunity to attempt to demonstrate that those claims were not anticipated by any prior art, both before the District Court and the Court of Appeals. The petition should be denied.

I. THERE IS NO CONFLICT WARRANTING REVIEW BY THIS COURT.

1. There is no conflict between the decision below and *El Paso Natural Gas Co.* v. *Neztsosie*, 526 U.S. 473 (1999). *See* Pet. 12-13. There, this Court held that the court of appeals erred in *sua sponte* addressing the propriety of an injunction where the parties against whom it was issued had not appealed those portions of the district court's orders issuing the injunction. 526 U.S. at 479. In deciding an issue not presented on appeal, the court of appeals clearly contravened the rule that a cross-appeal must be taken before an appellee may "attack [a] decree with a view either to enlarging his own rights thereunder or of lessening the rights of his adversary," *id.* (quotation omitted), a rule "meant to protect institutional interests in the orderly functioning of the judicial

system, by putting opposing parties and appellate courts on notice of the issues to be litigated and encouraging repose of those that are not." *Id.* at 481-482.

Quite unlike the court of appeals in *Neztsosie*, the Federal Circuit did not reach out and decide an issue not presented on appeal. Rather, the Federal Circuit reviewed the District Court's rulings on claim construction and anticipation—issues raised by *petitioner* on appeal. *See* Appellant's Br. 12-32. In fact, the Federal Circuit even agreed with petitioner that the District Court's construction of "CAD system" was erroneous, and adopted petitioner's proposed claim construction of that term. Accordingly, petitioner's contention that "the parties [here] did not have notice of the issue to be litigated and subsequently made the subject of the Court of Appeals *de novo* claim construction," Pet. 13, is utterly belied by the record. This case does not even remotely conflict with *Neztsosie*.

Nor is there any conflict between the Federal Circuit's decision and *Fountain* v. *Filson*, 336 U.S. 681 (1949), which petitioner mentions only in passing. *See* Pet. 6. There, this Court held that the court of appeals erred in deciding an issue not raised in a summary judgment motion presented to the district court. 336 U.S. at 682. Because that issue had not been raised below, the party against whom it was resolved was deprived of the opportunity to dispute material facts. *Id.* at 682-683.

Here, by contrast, the claim construction and anticipation issues decided by the Federal Circuit were the subject of Intergraph's motion for summary judgment, and petitioner had ample opportunity to present evidence and arguments both as to its proposed claim construction and as to whether SuperPaint anticipated the '393 patent. Indeed, petitioner did "submit[] an extensive summary judgment record." Pet. App. 34a. Moreover, petitioner raised both of these issues on appeal. Petitioner's contention that it was "deprived of its

opportunity to address and develop the factual record" because the Federal Circuit "*sua sponte*" construed claims 1-7 and 14-29 and reviewed the issue of anticipation is thus simply untenable. Pet 7.

2. There is also no conflict between the decision below and the decision of any other federal court of appeals. In fact, although petitioner suggests that the Federal Circuit's decision conflicts with the decisions of other circuits, petitioner neglects to mention a single decision evidencing such a conflict. *See* Pet. i, 5.

Petitioner does assert that the decision below is contrary to other decisions of the Federal Circuit, and "seeks writ of certiorari in order to urge this Court to require the Federal Circuit court to conform its ruling in this case to its previously announced holdings." Pet. 10. Of course, any intracircuit conflict between the Federal Circuit's own decisions would be a matter for the Federal Circuit, not this Court, to resolve in the first instance. *See Wisniewski* v. *United States*, 353 U.S. 901, 902 (1957) (per curiam); *see also* Robert L. Stern, *et al.*, *Supreme Court Practice* 176 (7th ed. 1993) ("Ordinarily, a conflict between decisions rendered by different panels of the same court of appeals is not a sufficient basis for granting a writ of certiorari."). But the Court need not even invoke that principle here because the decision below does not conflict—and indeed is in perfect accord—with the Federal Circuit cases cited in the petition.

In *Boggs* v. *West*, 188 F.3d 1335, 1337-38 (Fed. Cir. 1999), the Federal Circuit refused to entertain an issue raised for the first time on appeal, reciting the "general rule" that "an appellate court will not hear on appeal issues that were not clearly raised in the proceedings below." Similarly, in *Ethicon Endo-Surgery, Inc.* v. *United States Surgical Corp.*, 93 F.3d 1572, 1583 (Fed. Cir. 1996), the court remanded on the issue of doctrine of equivalents where it was unclear whether the district court had ruled on the issue or whether

the issue had even been argued to the district court. Here, as discussed, it is beyond cavil that the issues of claim construction and anticipation were raised in the district court, that petitioner had ample opportunity to present evidence and arguments in its favor, and that the district court ruled on those issues.

Certainly, the Federal Circuit's decision in *Fireman's Fund Ins. Co.* v. *United States*, 909 F.2d 495 (Fed. Cir. 1990), does not present a conflict. There, the court noted that "[w]here the grounds urged in support of the judgment have not been presented to and passed upon by the trial court, we prefer not to address them in the first instance," yet proceeded to do just that. 909 F.2d at 499. In any event, Intergraph did not raise any new grounds in support of the judgment on appeal, but rather sought affirmance on the same grounds that were pressed in and ruled on by the district court.

Finally, in *Envirco Corp.* v. *Clestra Cleanroom, Inc.*, 209 F.3d 1360, 1366 (Fed. Cir. 2000), and *Pitney Bowes, Inc.* v. *Hewlett-Packard Co.*, 182 F.3d 1298, 1314 (Fed. Cir. 1999), the court remanded infringement issues after determining that the district court's claim construction was erroneous. In this case, there was no need for the court to remand because petitioner's sole contention—both on appeal and in the district court—was that SuperPaint did not anticipate the '393 patent because SuperPaint is not a CAD system, *i.e.*, a system capable of producing engineering drawings. Thus, once the court determined—in complete agreement with petitioner—that "CAD system" as used in the '393 patent means a system capable of producing engineering drawings, and further determined that claims 1-7 and 14-29 are not limited to a CAD system, remand was unnecessary because petitioner had not demonstrated a genuine issue of fact as to whether SuperPaint anticipated those claims.

II. THE FEDERAL CIRCUIT APPLIED SETTLED LAW TO THE FACTS OF THIS CASE AND REACHED THE CORRECT RESULT.

At bottom, petitioner's complaint is not so much that the Federal Circuit decided this case in a manner that conflicts with other federal decisions, but that the court simply reached the wrong result. Indeed, petitioner "requests that this Court grant writ of certiorari to reverse the Court of Appeals' ruling that claims 1-7 and 14-29 were anticipated as a matter of law." Pet. 9. But "[a] petition for a writ of certiorari is rarely granted when the asserted error consists of * * * the misapplication of a properly stated rule of law." S. Ct. Rule 10. This case raises no issues of broad importance justifying a departure from this Court's customary practice.[1]

In any event, the Court of Appeals below applied settled law to the facts of this case and reached the correct result. The court began with the first issue raised by petitioner on appeal—whether the District Court erred in construing "CAD system" as a system "commonly used to create and edit drawings and other graphic displays on a computer screen or other cathode ray tube (CRT) display." *See* Pet. App. 4a-9a; Appellant's Br. 12-26. First, the court set forth the well-settled standard of review: "Claim construction is an issue of law, which this court reviews *de novo* without deference to the trial court." Pet. App. 5a (citing *Markman*, 52 F.3d at 979). Then the court—correctly—began its review by examining the intrinsic evidence, Pet. App. 5a, and concluded by *agreeing* with petitioner that the District Court

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[1] Petitioner's claim that the decision below "will have the undesirable effect of encouraging the district courts to limit their *Markman* inquiries to a single issue and simply let the Court of Appeals perform the claims construction on appeal with respect to any and all other issues" is absurd. Pet. 11. That is certainly not what occurred in this case. Moreover, it should not be presumed that federal district courts will abdicate or shirk their responsibilities and duties.

erred and that a "CAD system" is a graphics system capable of producing engineering drawings. Pet. App. 7a. *See* Appellant's Br. 18. Yet petitioner asserts—repeatedly—that the Court of Appeals erred by "*sua sponte*" construing the claims at issue. Pet. 2, 3, 7. That contention is simply indefensible.

The court then turned to the next issue raised by petitioner on appeal—whether the District Court erred in holding that SuperPaint anticipated claims 1-11, 13-34, and 37-41 of the '393 patent. *See* Pet. App. 9a-11a; Appellant's Br. 27-32. Noting that petitioner's "*only* contention opposing anticipation of these claims [was] that SuperPaint is not a CAD system, and therefore, cannot produce detailed engineering drawings," Pet. App. 9a (emphasis added), the court answered that question in the negative with respect to claims 1-7 and 14-29—notwithstanding its determination that the District Court had erred in its construction of "CAD system"—because those claims "are not limited to use in a CAD environment," but instead are "broad enough to encompass a general graphics program such as SuperPaint." Pet. App. 9a-10a.

Petitioner now contends that the Federal Circuit improperly and *sua sponte* decided the anticipation issue—even though petitioner raised it on appeal—and that the court should have remanded so that petitioner could be given another chance to prove that SuperPaint did not anticipate the '393 patent. Pet. 3, 7, 9. Petitioner, however, had every opportunity to demonstrate a genuine issue of fact as to whether SuperPaint "lack[s] other functions or attributes" of the '393 patent. Pet. 13. Although petitioner "submitted an extensive summary judgment record" to the district court, Pet. App. 34a, it never attempted to demonstrate that SuperPaint did not anticipate the '393 patent for any reason other than that it is not capable of producing engineering drawings and, therefore, is not a CAD system. Nor did petitioner ever once indicate—until its belated suggestion in its petition for rehearing—that Super-

Paint lacks other functions or attributes of the '393 patent. Instead, petitioner chose to rise or fall with its argument that SuperPaint is not a CAD system.[2] The Court of Appeals did not err when it decided the anticipation issue on the basis of the record petitioner created. This Court should not grant certiorari to allow petitioner the "second bite" it seeks.[3]

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[2] Petitioner claims that the "implied understanding" among the parties and the District Court was that claims 1-7 and 14-29 "incorporate[] the CAD limitation." Pet. 8. To the contrary, there was no such understanding. Indeed, since the term "CAD system" does not appear in those claims—unlike each of the other claims or those from which they depend—it is obvious from the plain face of the patent that claims 1-7 and 14-29 do not incorporate a "CAD system" limitation. *See* Lodging App. (claims 1-42).

[3] Even if petitioner's claim that the Federal Circuit erred had merit, the interlocutory nature of this case provides an additional reason for denying certiorari. *See Virginia Military Institute* v. *United States*, 508 U.S. 946 (1993) (Scalia, J.) (opinion respecting denial of certiorari).

CONCLUSION

For the foregoing reasons, the petition should be denied.

Respectfully submitted,

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